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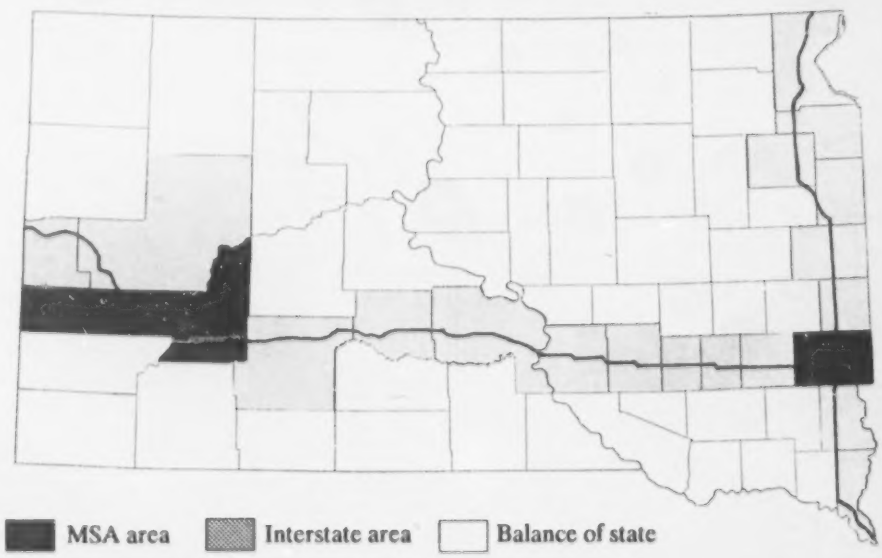
Correlations between interstate highways and economic growth

South Dakota has undergone many changes in population and employment since the interstate systems made their way into the state. The existence of I-29 and I-90 cannot, of course, be credited with all the growth noted in the state--but there are some interesting correlations.

The availability of a good road transportation system, particularly four-lane systems which reduce travel time and thus transportation costs, is often a prime consideration in economic development efforts. Employers seek areas which offer the convenience and efficiency of four-lane systems, and economic developers in areas which do not offer that bonus often face a bigger challenge in attracting employers.

In this article, we will look at some of the possible correlations between the existence of the interstates and economic growth in South Dakota by dividing the state into three major areas. One area will include the Metropolitan Statistical Area (MSA) counties of Minnehaha and Pennington which are supported by interstate systems (hereon referred to as the MSA area). The second area (referred to as the interstate area) will be the remaining South Dakota counties which are supported by an interstate; and the third area will be the counties which are not supported by an interstate (hereon referred to as the balance of state). The map below shows each of these areas and the counties that are included.



The population of South Dakota increased 7.3 percent from 1970 to 1989. Between 1950 and 1970, during the 'pre-interstate days' when only portions of the interstates were a reality, the population rose a mere 2.1 percent. The increase since 1970 has occurred in the MSA area and the interstate area. The MSA area has enjoyed a 37 percent increase in population, and the population of the interstate area increased eight percent. Meanwhile, the balance of the state suffered a six percent decline in population.

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Impacts more noticeable in labor force

The labor force of South Dakota has seen even more substantial gains since 1970 than the population has, increasing from 271,705 in 1970 to 361,008 in 1989--a 33 percent increase. Of that increase, 56 percent was in the MSA area; 28 percent was in the interstate area; and only 16 percent of the growth was in the balance of the state.

Growth in areas accessed by the interstate systems is even more noticeable in nonfarm employment. Statewide, nonfarm wage and salary employment has increased 57 percent since 1970, compared to an increase of 46 percent from 1950 to 1970. Of the three areas used for comparison purposes in this article, the MSA area led the pack in nonfarm employment growth since 1970. In fact, nonfarm employment in that area more than doubled during the 20-year period, increasing 102 percent. Meanwhile, the interstate area noted growth of 55 percent, compared to 33 percent growth in the balance of the state.

Looking at the state's nonfarm industries individually, ties between the availability of the interstate systems and the transportation industry are probably the most obvious, especially among long-distance and local trucking firms, courier services, and warehousing and storage facilities. The MSA area has enjoyed a 57 percent increase in transportation, communication and public utilities employment since 1970. The interstate area also noted an increase, at 26 percent. But this industry's employment in the balance of the state has noted a decline since 1970--of three percent.

The health of the trade industry is also tied to the availability of good highway systems--for receiving and sending merchandise promptly and cost effectively and for attracting consumers. The wholesale division is especially reliant, with the profitability of businesses like wholesale distributors of auto parts, raw farm products and bulk petroleum, livestock markets and nurseries depending heavily on the efficient shipment of their produce.

In the retail division, the timely receipt of merchandise from suppliers (much of which is received on trucks) is vital. This industry is also dependent upon the availability of transportation in that shopping patterns of consumers are closely related to the availability of handy access for that portion who shop outside their home community. Tourism-related businesses, such as gift and novelty shops and restaurants, have also benefited since I-29 and I-90 have improved transportation in our state for tourists.

On the trade front, the MSA area has faired the best, with employment increasing 96.1 percent since 1970. But again, performance in the interstate area surpassed the balance of the state, with employment increases of 52.2 percent and 32.0 percent, respectively.

Another major industry which is reliant on the willingness of consumers to travel is the services industry. All three areas have reaped the benefits of the services boom. In the interstate area, employment in the services industry increased 81.7 percent from 1970 to 1989, followed by the balance of the state at 71.1 percent. But the biggest growth was found in the MSA area, where services employment was 173 percent greater in 1989 than in 1970. The MSA counties have especially expanded in the offering of health care services, and in fact have become regional centers for hospital and other types of health care. The convenience of the interstates has no doubt helped encourage people to seek not only the expert routine care available in those areas, but also the specialized, highly technical care which previously was not available within the state. The lure of tourists that the interstates have served has also impacted the services industry, in such businesses as hotels and motels, camps, and amusement and recreation facilities.

Manufacturing--growth in the fast lane

For many manufacturing employers, production and sales of goods are dependent upon cost-efficient transportation as well. Raw products, supplies and sub-assemblies often must be trucked in, and finished products are often shipped out on trucks. Again, location in areas accessible by the interstates is a plus for those employers. Since 1970, manufacturing employment in the interstate area has outshined the other areas, increasing a whopping 266 percent. Meanwhile, the MSA area and the balance of the state noted manufacturing growth of 53.9 percent and 79.4 percent, respectively.

It also seems logical that the availability of the interstates has expedited growth in other, more indirect ways. Economic growth in an area does not occur unless potential employers are assured that either an adequate labor supply already exists in the area or

that workers will move to the area or commute to the area to work. Interstates 29 and 90 in the Sioux Falls area, and I-90 in the Rapid City area, have no doubt played their part in the growth of those areas, as workers from outlying communities like Crooks, Tea, Black Hawk and Piedmont--many of whom use the interstates--have commuted to work.

And when general economic growth occurs in an area and the availability of jobs attracts more people to the area, growth in such industries as real estate and construction follows. So while there is no quantifiable way to measure the direct impact that the interstates have had on South Dakota's economy, there do seem to be some definite correlations--and it seems quite probable that they have helped it.

So the next time you pull onto either I-29 or I-90 from one of the many exits across the state, think about some of the other benefits those four-lane systems have brought to South Dakota--besides the ability to set your cruise control at 65 m.p.h.

South Dakota's Labor Market in August

In August 1990, nonfarm wage and salary employment in South Dakota was 281,700. This is an increase of 3,600 jobs (or 1.3 percent) from year-ago employment levels.

The industries exhibiting the largest growth over year-ago employment levels were retail trade and services--with the addition of 1,900 and 1,100 jobs, respectively. The divisions registering job growth in the retail trade industry were: eating and drinking establishments; automotive dealers and gas stations; food stores; and general merchandise stores. The majority of the increase in the services industry was found in hotels, motels, and amusements; social and educational services; and health services other than hospitals. After several years of job growth in both the hospital and health services divisions, it appears that growth has somewhat stabilized.

The largest contributing factor to the decrease of 1,100 jobs from year-ago employment levels in state government was the Summer Youth Program. There were approximately 800 Summer Youth Program participants still working in August this year, whereas in August of 1989, there were 1,900 who had not yet completed the number of hours required for participation in the program.

Month-to-Month Employment Changes

Although the total nonfarm employment level of 281,700 jobs remained stable from July to August, there were some employment fluctuations among the different industries--with a large government decrease offsetting a private employment increase.

A job gain of 600 in the services industry was divided among hotels, motels and amusements and health services, other than hospitals. The job growth in the division of hotels, motels and amusements was fueled by tourists who flock to the state each summer and the addition of extra personnel to accommodate fair goers.

The wholesale trade industry lost approximately 500 jobs over the month. Several employers in this industry hire temporary help during the month of July to detassle seed corn. Such jobs are usually completed in one month, normally during July.

Employment growth of 900 in state education brought about by the beginning of the school year was overshadowed by a decline in the balance of state government, caused by the above mentioned decrease of Summer Youth Program participants.

Local government also posted a decline of 800 jobs. The majority of this decrease was found in local education and can be partially attributed to the ending of summer school, causing a reduction of summer school teachers and also temporary maintenance workers hired during the summer. The employment decrease is as seasonally expected and traditionally happens from July to August.

The South Dakota labor force in August was 368,300. There were 354,300 South Dakotans employed and 14,000 unemployed. The unemployment rate was 3.8 percent, down slightly from the July rate of 3.9 percent.

Persons in the Labor Force: Employed/Unemployed

	August 1990 (1)				August 1989			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
United States	126,012,000	119,174,000	6,837,000	5.4(3)	125,444,000	119,092,000	6,352,000	5.1
South Dakota	368,300	354,300	14,000	3.8	367,100	351,800	15,300	4.2
Sioux Falls MSA	73,853	72,089	1,764	2.4	73,309	71,182	2,127	2.9
Rapid City MSA	41,157	39,573	1,584	3.8	40,898	39,136	1,762	4.3
Aurora	1,541	1,521	20	1.3	1,490	1,474	16	1.1
Beadle	9,325	9,108	217	2.3	9,204	9,004	200	2.2
Bennett	1,539	1,438	101	6.6	1,476	1,426	50	3.4
Bon Homme	3,636	3,610	26	.7	3,557	3,529	28	.8
Brookings	15,537	14,620	917	5.9	15,257	14,468	789	5.2
Brown	19,528	18,434	1,094	5.6	19,877	18,243	1,634	8.2
Brule	2,959	2,867	92	3.1	2,751	2,717	34	1.2
Buffalo	473	390	83	17.5	530	438	92	17.4
Butte	3,471	3,313	158	4.6	3,453	3,299	154	4.5
Campbell	1,161	1,115	46	4.0	1,178	1,167	11	.9
Charles Mix	4,013	3,873	140	3.5	3,997	3,777	220	5.5
Clark	1,984	1,914	70	3.5	2,221	1,943	278	12.5
Clay	7,284	6,921	363	5.0	6,936	6,576	360	5.2
Codington	12,432	12,051	381	3.1	12,732	11,844	888	7.0
Corson	1,771	1,340	431	24.3	1,634	1,283	351	21.5
Custer	4,855	4,805	50	1.0	4,541	4,465	76	1.7
Davison	9,433	9,256	177	1.9	9,585	9,422	163	1.7
Day	3,488	3,309	179	5.1	3,626	3,417	209	5.8
Deuel	2,393	2,284	109	4.6	2,275	2,222	53	2.3
Dewey	2,189	1,754	435	19.9	2,306	1,987	319	13.8
Douglas	1,690	1,644	46	2.7	1,808	1,780	28	1.5
Edmunds	2,170	2,093	77	3.5	2,321	2,218	103	4.4
Fall River	3,570	3,419	151	4.2	3,609	3,464	145	4.0
Faulk	1,272	1,254	18	1.4	1,325	1,311	14	1.1
Grant	4,312	4,205	107	2.5	4,427	4,328	99	2.2
Gregory	2,367	2,323	44	1.9	2,543	2,486	57	2.2
Haakon	1,199	1,177	22	1.8	1,229	1,204	25	2.0
Hamlin	2,617	2,571	46	1.8	2,585	2,466	119	4.6
Hand	2,021	1,960	61	3.0	2,093	2,054	39	1.9
Hanson	1,510	1,479	31	2.1	1,655	1,547	108	6.5
Harding	879	840	39	4.4	871	862	9	1.0
Hughes	8,520	8,314	206	2.4	8,543	8,284	259	3.0
Hutchinson	4,283	4,235	48	1.1	4,547	4,446	101	2.2
Hyde	886	858	28	3.2	922	906	16	1.7
Jackson	1,970	1,841	129	6.5	1,848	1,798	50	2.7

Persons in the Labor Force: Employed/Unemployed

	August 1990 (1)				August 1989			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
Jerauld	1,194	1,163	31	2.6	1,188	1,170	18	1.5
Jones	737	713	24	3.3	741	727	14	1.9
Kingsbury	2,721	2,693	28	1.0	2,904	2,844	60	2.1
Lake	5,193	4,878	315	6.1	5,203	4,875	328	6.3
Lawrence	13,140	12,582	558	4.2	11,961	11,532	429	3.6
Lincoln	7,336	7,165	171	2.3	7,381	7,181	200	2.7
Lyman	1,621	1,494	127	7.8	1,725	1,622	103	6.0
McCook	3,007	2,900	107	3.6	3,033	2,978	55	1.8
McPherson	1,602	1,563	39	2.4	1,566	1,522	44	2.8
Marshall	2,326	2,252	74	3.2	2,390	2,335	55	2.3
Meade	9,868	9,581	287	2.9	9,366	9,036	330	3.5
Mellette	850	773	77	9.1	835	801	34	4.1
Miner	1,592	1,529	63	4.0	1,883	1,631	252	13.4
Minnehaha	73,853	72,089	1,764	2.4	73,309	71,182	2,127	2.9
Moody	3,492	3,181	311	8.9	3,296	3,140	156	4.7
Pennington	41,157	39,573	1,584	3.8	40,898	39,136	1,762	4.3
Perkins	2,543	2,497	46	1.8	2,524	2,483	41	1.6
Potter	1,567	1,532	35	2.2	1,636	1,556	80	4.9
Roberts	4,676	4,470	206	4.4	4,722	4,385	337	7.1
Sanborn	1,215	1,117	98	8.1	1,147	1,138	9	.8
Shannon	2,133	1,597	536	25.1	1,991	1,546	445	22.4
Spink	3,681	3,598	83	2.3	3,626	3,559	67	1.8
Stanley	1,348	1,313	35	2.6	1,499	1,460	39	2.6
Sully	824	802	22	2.7	865	854	11	1.3
Todd	2,589	2,357	232	9.0	2,593	2,375	218	8.4
Tripp	3,399	3,344	55	1.6	3,595	3,503	92	2.6
Turner	4,396	4,276	120	2.7	4,463	4,392	71	1.6
Union	6,646	6,434	212	3.2	6,514	6,204	310	4.8
Walworth	3,059	2,998	61	2.0	3,051	2,957	94	3.1
Yankton	11,085	10,689	396	3.6	11,107	10,795	312	2.8
Ziebach	1,145	1,027	118	10.3	1,147	1,030	117	10.2

(1) Preliminary data subject to revision.
(2) Labor force estimates include employed and unemployed civilians 16 years old and older by place of residence.
(3) The seasonally-adjusted rates which were announced by the national government were 5.6 and 5.3. The data in this table are not seasonally-adjusted.

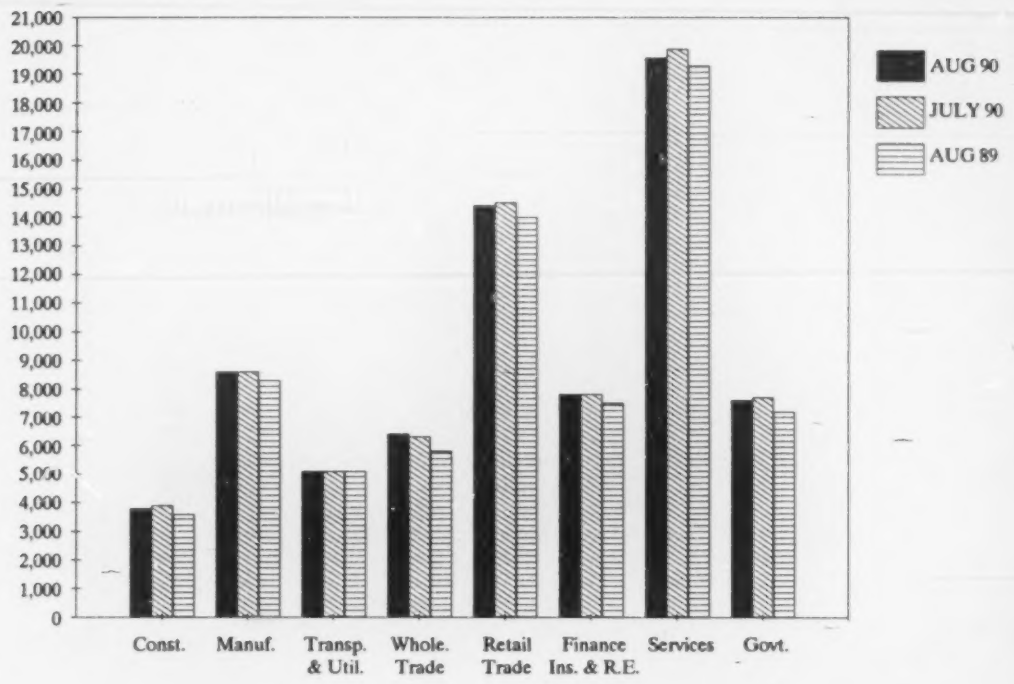
SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

South Dakota Nonfarm Wage & Salary Employment (Jobs by Industry)

	Aug. 1990	July 1990	Aug. 1989	Percent Change From Last Month	Percent Change From Last Year
TOTAL	281,700	282,000	278,100	-.1	1.3
TOTAL PRIVATE	225,300	224,500	221,000	.4	1.9
GOODS PRODUCING	48,100	47,900	47,100	.4	2.1
MINING	2,900	2,900	2,800	.0	3.6
CONSTRUCTION	12,400	12,200	12,200	1.6	1.6
MANUFACTURING	32,800	32,800	32,100	.0	2.2
Durable Goods	18,800	19,000	18,300	-1.1	2.7
Fabricated Metals & Machinery	10,900	11,000	10,700	-.9	1.9
Nondurable Goods	14,000	13,800	13,800	1.4	1.4
Food & Kindred Products	7,400	7,200	7,300	2.8	1.4
Printing & Publishing	3,000	3,000	3,000	.0	.0
SERVICE PRODUCING	233,600	234,100	231,000	-.2	1.1
TRANSPORTATION & PUBLIC UTILITIES	13,400	13,200	13,400	1.5	.0
Transportation	7,800	7,700	7,900	1.3	-1.3
Communication	3,100	3,100	3,100	.0	.0
Electric/Gas/Sanitary Services	2,400	2,400	2,400	.0	.0
TRADE	77,400	77,500	75,500	-.1	2.5
Wholesale Trade	18,900	19,400	18,900	-2.6	.0
Durable Goods	8,800	8,700	8,700	1.1	1.1
Nondurable Goods	10,100	10,700	10,200	-5.6	-1.0
Retail Trade	58,500	58,100	56,600	.7	3.4
General Merchandise/Apparel	9,800	9,600	9,600	2.1	2.1
Food Stores	8,700	8,900	8,300	-2.2	4.8
FINANCE, INSURANCE & REAL ESTATE	16,500	16,600	16,200	-.6	1.9
Finance	10,900	10,900	10,600	.0	2.8
Depository Institutions	6,000	6,100	5,800	-1.6	3.4
Nondepository Institutions	4,200	4,100	4,200	2.4	.0
Insurance Carriers, Agents & Brokers	3,900	4,000	3,900	-2.5	.0
SERVICES	69,900	69,300	68,800	.9	1.6
Hotels/Motels & Amusements	10,600	10,200	10,300	3.9	2.9
Personal and Business	8,100	8,100	8,200	.0	-1.2
Medical and Health Services	26,300	26,100	26,200	.8	.4
Hospitals	11,900	12,000	12,000	-.8	-.8
Health Services, other than Hospitals	14,400	14,100	14,200	2.1	1.4
Educational Services	3,900	3,900	3,700	.0	5.4
Social Services	5,200	5,200	4,800	.0	8.3
Membership Organizations	8,300	8,200	8,400	1.2	-1.2
GOVERNMENT	56,400	57,500	57,100	-1.9	-1.2
Federal	11,100	11,200	11,000	-.9	.9
State	15,900	16,100	17,000	-1.2	-6.5
State Education	6,100	5,200	5,800	17.3	5.2
Local	29,400	30,200	29,100	-2.6	1.0
Local Education	13,600	14,200	13,400	-4.2	1.5

SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

Sioux Falls MSA Nonfarm Wage and Salary Employment (Jobs by Industry)

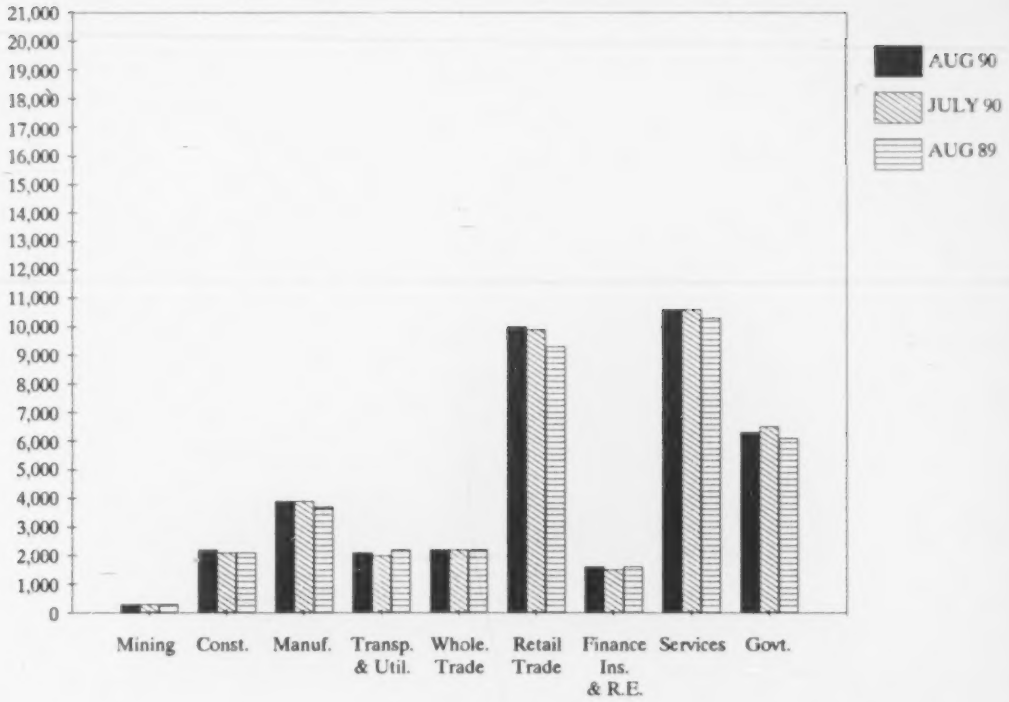


	Aug. 1990	July 1990	Aug. 1989	Percent Change From Last Month	Percent Change From Last Year
TOTAL	73,400	73,900	70,900	-.7	3.5
GOODS PRODUCING	12,500	12,600	12,000	-0.8	4.2
*MINING					
CONSTRUCTION	3,800	3,900	3,600	-2.6	5.6
MANUFACTURING	8,600	8,600	8,300	0.0	3.6
SERVICE PRODUCING	60,900	61,300	58,900	-0.7	3.4
TRANSPORTATION & PUBLIC UTILITIES	5,100	5,100	5,100	0.0	0.0
TRADE	20,800	20,800	19,800	0.0	5.1
Wholesale	6,400	6,300	5,800	1.6	10.3
Retail	14,400	14,500	14,000	-0.7	2.9
FINANCE, INSURANCE & REAL ESTATE	7,800	7,800	7,500	0.0	4.0
SERVICES	19,600	19,900	19,300	-1.5	1.6
GOVERNMENT	7,600	7,700	7,200	-1.3	5.6

*Mining employment not published, employment less than 100.

SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

Rapid City MSA Nonfarm Wage and Salary Employment (Jobs by Industry)



	Aug. 1990	July 1990	Aug. 1989	Percent Change From Last Month	Percent Change From Last Year
TOTAL	39,200	39,000	37,800	.5	3.7
GOODS PRODUCING	6,400	6,300	6,100	1.6	4.9
MINING	300	300	300	.0	.0
CONSTRUCTION	2,200	2,100	2,100	4.8	4.8
MANUFACTURING	3,900	3,900	3,700	.0	5.4
SERVICE PRODUCING	32,800	32,700	31,700	.3	3.5
TRANSPORTATION & PUBLIC UTILITIES	2,100	2,000	2,200	5.0	-4.5
TRADE	12,200	12,100	11,500	.8	6.1
Wholesale	2,200	2,200	2,200	.0	.0
Retail	10,000	9,900	9,300	1.0	7.5
FINANCE, INSURANCE & REAL ESTATE	1,600	1,500	1,600	6.7	.0
SERVICES	10,600	10,600	10,300	.0	2.9
GOVERNMENT	6,300	6,500	6,100	-3.1	3.3

SOURCE: Developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

NOTE: The figures on pages 6, 7 and 8 include almost all nonfarm wage earners (full and part-time) but exclude the self-employed. They are derived from a monthly sample survey of South Dakota non-agricultural establishments and include workers on the payroll for the week including the 12th of the month. These tables compare the current month's employment totals of the major industry groups to the totals of the previous month and year.

Hours and Earnings of Production Workers in South Dakota

	Number of Production Workers			Average Weekly Hours		
	Aug. 1990	July 1990	Aug. 1989	Aug. 1990	July 1990	Aug. 1989
Total Private	189,200	188,200	185,700	33.9	34.7	33.7
Mining	2,400	2,400	2,400	44.8	45.8	42.4
Construction	10,200	10,000	10,100	42.2	44.3	42.9
Manufacturing	25,200	24,800	24,400	40.8	40.7	41.2
Transportation & Public Utilities	11,300	11,100	11,200	38.8	39.3	38.8
Wholesale & Retail Trade	67,900	68,100	66,100	31.9	32.8	32.1
Finance, Insurance, & Real Estate	12,400	12,500	12,200	36.1	37.4	35.1
Services	59,800	59,300	59,300	29.9	31.0	29.2

	Average Weekly Earnings			Average Hourly Earnings		
	Aug. 1990	July 1990	Aug. 1989	Aug. 1990	July 1990	Aug. 1989
Total Private	$263.40	$270.31	$252.08	$7.77	$7.79	$7.48
Mining	539.39	564.26	516.43	12.04	12.32	12.18
Construction	409.34	427.50	392.96	9.70	9.65	9.16
Manufacturing	339.86	338.62	339.08	8.33	8.32	8.23
Transportation & Public Utilities	432.33	452.34	421.76	11.14	11.51	10.87
Wholesale & Retail Trade	205.44	208.28	195.49	6.44	6.35	6.09
Finance, Insurance, & Real Estate	294.94	310.05	275.18	8.17	8.29	7.84
Services	222.16	233.43	207.03	7.43	7.53	7.09

Hours and Earnings of Manufacturing Production Workers in MSAs

	Number of Manufacturing Production Workers			Average Weekly Hours		
	Aug. 1990	July 1990	Aug. 1989	Aug. 1990	July 1990	Aug. 1989
Sioux Falls MSA	6,400	6,100	5,900	40.0	42.4	44.4
Rapid City MSA	2,900	3,000	2,800	42.8	42.3	40.0

	Average Weekly Earnings			Average Hourly Earnings		
	Aug. 1990	July 1990	Aug. 1989	Aug. 1990	July 1990	Aug. 1989
Sioux Falls MSA	$350.40	$368.88	$371.63	$8.76	$8.70	$8.37
Rapid City MSA	373.22	392.12	335.20	8.72	9.27	8.38

SOURCE: Developed by the South Dakota Department of Labor, in cooperation with the United States Bureau of Labor Statistics.

NOTE: Average hours and earnings data are derived from reports of payrolls and hours for production and related workers in manufacturing and mining, construction workers in construction, and non-supervisory employees in private service-producing industries. The data cover full and part-time employees who worked during or received pay for the payroll period that includes the 12th of the month. The earnings figures are "gross" figures. They may be higher than employer wage rates, since they reflect premium pay for shift differentials and overtime work. The hours figures relate to the hours for which pay was received; this is different from scheduled or standard work hours.

Characteristics of the Insured Unemployed[1]

	Aug. 1990	July 1990	Aug. 1989
Sex, Total	1,520	1,666	1,921
Male	613	627	760
Female	907	1,039	1,161
Race, Total	1,520	1,666	1,921
White	1,147	1,283	1,562
Nonwhite	373	383	359
Age, Total	1,520	1,666	1,921
Under 45	1,043	1,144	1,363
Over 45	477	522	558
[2]Industry, Total	1,520	1,666	1,921
Mining	7	15	16
Construction	92	80	100
Manufacturing	257	369	604
Transportation & Public Utilities	58	61	82
Trade	338	357	411
Finance, Insurance & Real Estate	67	55	53
Services	581	616	522
Government	120	113	133
[2]Occupation	1,520	1,666	1,921
Professional & Managerial	404	386	385
Clerical and Sales	400	433	446
Services	262	278	247
Processing	41	38	62
Machine Trade	57	56	57
Benchwork	137	211	374
Structural Work	117	125	188
Other	102	139	162
Duration of Current Unemployment			
Total	1,520	1,666	1,921
1-2 Weeks	208	395	293
3-4 Weeks	172	270	246
5-14 Weeks	824	647	932
15 Weeks & Over	316	354	450

[1]The insured unemployed are those persons who had worked for employers covered by South Dakota's Unemployment Insurance laws and who filed claims for unemployment insurance compensation during the week including the 12th of the month.

[2]Refers to industry and occupation involvement prior to unemployment.

Selected Labor Department Activities

	Aug. 1990	July 1990	Aug. 1989	Percent Change From Last Month	Percent Change From Last Year
Unemployment Insurance					
A. Initial Claims	1,063	1,055	1,303	0.8	-18.4
B. Weeks Compensated	7,904	6,778	9,511	16.6	-16.9
C. Amount of Benefit Payments	$652,598	$535,071	$836,701	22.0	-22.0
D. Unemployment Trust Fund Bal.	$46,703,105	$45,612,973	$44,098,264	2.4	5.9
Job Service					
E. Applicants Available (New and Renewal)	9,744	10,347	8,421	-5.8	15.7
F. Nonfarm Placements	6,076	6,038	4,509	0.6	34.8
G. Nonfarm Job Openings	11,357	7,853	8,973	44.6	26.6

Selected Labor Department Activities (Continued)

	August 1990
H. Unemployment Insurance Savings	$78,632

The data above and in the table at the bottom of page 10 are taken from the records of the state unemployment insurance program and the state Job Service system.

A. Initial Claims - The total number of first claims for unemployment compensation.

B. Weeks Compensated - The total number of weeks for which claimants received compensation.

C. Amount of Benefit Payments - The total amount of money paid to claimants.

D. Unemployment Trust Fund Balance - The fund to which all required Unemployment Insurance taxes are paid and from which all benefits to claimants are paid.

E. Applicants Available (New and Renewals) - The total number of different individuals who registered or renewed their registrations for work at Job Service offices in the state.

F. Nonag Placements - A count of the number of times during the month that Job Service applicants were hired by nonfarm employers.

G. Nonag Job Openings - A count of new job openings received during the month by South Dakota Job Service offices from nonfarm employers.

H. Unemployment Insurance Savings - Estimated dollars saved due to placement of Unemployment Insurance claimants in jobs by Job Service.

From the Division of Labor and Management

A truck driver engaged in a commercial haul of sheep fell asleep at the wheel. The truck left the road, flew through the air 75 feet, and crashed. The driver was seriously injured.

The employer, whose primary business was farming, did not carry worker's compensation insurance, since the South Dakota Worker's Compensation Law provides for an exemption for agricultural employers. The employer owned two trucks, but any commercial hauling was incidental to the farming operation. The truck driver applied for work as a truck driver, and was hired by the employer to drive commercial hauls, but he also spent time working as a farm laborer.

Does this truck driver have a valid claim for worker's compensation, or is the employer exempt from providing this coverage because it is an agricultural business?

The South Dakota Supreme Court said the employer operated a secondary, although small, trucking business for which the truck driver was primarily employed, and he was injured in the pursuit of that employment. The employment was not exempt from the South Dakota Worker's Compensation Act. The court went on to say that when determining whether a claim is within the agricultural exclusion, any doubt as to claimant's status in a borderline case will be resolved in favor or coverage and against exclusion as agricultural labor.

The Supreme Court went on to hold that since there was no worker's compensation insurance, the statute requires that in addition to medical coverage, the amount of the award for any disability payments is twice the amount provided by the act.

In this case, the best protection for all concerned would have been for the accident never to have happened. Employers and employees should begin each day thinking safety.

Anytime you have questions concerning worker's compensation, you should feel free to contact the Division of Labor and Management. Their telephone number is 773-3681. Their address is:

Division of Labor and Management
South Dakota Department of Labor
Kneip Building
700 Governors Drive
Pierre, SD 57501

South Dakota

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Selected National Economic Indicators

	Aug. 1990	July 1990	Aug. 1989	Percent Change From Last Month	Percent Change From Last Year
Consumer Price Index[1]	131.6	130.4	124.6	0.9	5.6
Industrial Production Index[2]	109.8	110.0	108.2	-0.2	1.5
Retail Trade Sales[3]	$149,195	$150,049	$146,767	-0.6	1.7
Privately Owned Housing Starts[4]	1,127	1,147	1,325	-1.7	-14.9
Bank Prime Loan Rate[5]	10.00	10.00	10.50	0.00	-4.76

[1]U.S. Bureau of Labor Statistics. 1982-84 = 100.
[2]Federal Reserve Board. Includes manufacturing, mining and utilities. 1987 = 100. Seasonally adjusted.
[3]Bureau of the Census. Adjusted for seasonal, holiday and trading day differences. In millions of dollars.
[4]Bureau of the Census. Includes new, privately owned housing units started. Seasonally adjusted annual rates. In thousands of units.
[5]Federal Reserve Board. Annual rates.